

FISH & RICHARDSON P.C.

02-6

Frederick P. Fish
1855-1930

W.K. Richardson
1859-1951

FILED/ACCEPTED

JUL - 9 2007

Federal Communications Commission
Office of the Secretary

July 6, 2007

DOCKET FILE COPY ORIGINAL

Via Facsimile and U.S. Mail

Universal Service Administrative Company
Schools and Libraries Division
2000 L Street, N.W.
Suite 200
Washington, D.C. 20036



ATLANTA

AUSTIN

BOSTON

DALLAS

DELAWARE

NEW YORK

SAN DIEGO

SILICON VALLEY

TWIN CITIES

WASHINGTON, DC

Re: Pharr-San Juan-Alamo ISD
Funding Year: 2002
Form 471 Application No. 303671
FCC Registration Number: 0010310811

Dear Sir or Madam:

I am writing to advise you that Fish & Richardson P.C. has been retained by the Pharr-San Juan-Alamo Independent School District (the "School District") to assist in responding to the Demand Payment Letter attached as Exhibit A and the Administrator's Decision on Appeal attached as Exhibit B. Based on our initial review of the facts, it appears that there are a number of reasons to reverse the Administrator's Decision on appeal. We are in the process of preparing an appeal and intend to file the appeal with the Commission by the July 31, 2007 deadline.

Although the appeal is not due until July 31, 2007, the Demand Payment Letter requests repayment of the funds in question by July 7, 2007. The School District does not intend to make the requested payment until after the Commission has an opportunity to consider its appeal. Accordingly, it is requested that all efforts to collect the funds allegedly due from the School District be suspended until the appeals process is completed. The School District understands, based on conversations with USAC staff, that this is USAC's practice.

1425 K Street, N.W.
11th Floor
Washington, DC 20005

Telephone
202 783-5070

Facsimile
202 783-2331

Web Site
www.fr.com

Donna A. Balaguer
202 626-7719
balaguer@fr.com

No. of Copies rec'd
List ABCDE

0

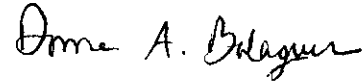
FISH & RICHARDSON P.C.

July 6, 2007

Page 2

If you have any questions concerning this letter or wish to discuss this matter, kindly contact the undersigned.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Donna A. Balaguer". The script is cursive and fluid.

Donna A. Balaguer

cc (via email): USAC, Billing, Collections & Disbursement

Jeremy Marcus

Gina Spade

Cynthia Beach

Brian Murphy

Janet Robles

Daniel Saenz

Attachments

Exhibit A



Universal Service Administrative Company

Schools & Libraries Division

Demand Payment Letter
Funding Year 2002: 7/01/2002 - 6/30/2003

June 7, 2007

Jose F. Martinez
PHARR-SAN JUAN-ALAMO I S D
804 E US HIGHWAY 83
PHARR, TX 78577

Re: Form 471 Application Number: 303671
Funding Year: 2002
Applicant's Form Identifier: PSJA-2002-471
Billed Entity Number: 141667
FCC Registration Number: 0010310811
SPIN Name: The Presidio Corporation
Service Provider Contact Person: Portia Speight

You were previously sent a Notification of Commitment Adjustment Letter informing you of the need to recover funds for the Funding Request Number(s) (FRNs) listed on the Funding Commitment Adjustment Report (Report) attached to the Notification of Commitment Adjustment Letter. A copy of that Report is attached to this letter. Immediately preceding the Report, you will find a guide that defines each line of the Report.

The balance of this debt is due within 30 days from the date of this letter. Failure to pay the debt within 30 days from the date of this letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." Please see the "Informational Notice to All Universal Service Fund Contributors, Beneficiaries, and Service Providers" at <http://www.universalservice.org/fund-administration/tools/latest-news.aspx#083104> for more information regarding the consequences of not paying the debt in a timely manner.

If the Schools and Libraries Division (SLD) has determined that both the applicant and the service provider are responsible for a program rule violation, then, pursuant to the Order on Reconsideration and Fourth Report and Order (FCC 04-181), the SLD will seek recovery of the improperly disbursed amount from BOTH parties and will continue to seek recovery until either or both parties have fully paid the debt. If the SLD has determined that both the applicant and the service provider are responsible for a program rule violation, this was indicated in the Funding Commitment Adjustment Explanation on the Funding Commitment Adjustment Report.

If the SLD is attempting to collect all or part of the debt from both the applicant and the service provider, then you should work with your service provider to determine who will be repaying the

debt to avoid duplicate payment. Please note, however, that the debt is the responsibility of both the applicant and service provider. Therefore, you are responsible for ensuring that the debt is paid in a timely manner.

Please remit payment for the full "Funds to be Recovered from Applicant" amount shown in the Report. To ensure that your payment is properly credited, please include a copy of the Report with your check. Make your check payable to the Universal Service Administrative Company (USAC).

If sending payment by U. S. Postal Service or major courier service (e.g. Airborne, Federal Express, and UPS) please send check payments to:

Universal Service Administrative Company
1259 Paysphere Circle
Chicago, IL 60674

If you are located in the Chicago area and use a local messenger rather than a major courier service, please address and deliver the package to:

Universal Service Administrative Company
Lockbox 1259
540 West Madison 4th Floor
Chicago, IL 60661

Local messenger service should deliver to the Lockbox Receiving Window at the above address.

Payment is due within 30 days from the date of this letter.

Complete program information is posted to the SLD section of the USAC web site at www.universalservice.org/sl/. You may also contact the SLD Technical Client Service Bureau by e-mail using the "Submit a Question" link on the SLD web site, by fax at 1-888-276-8736 or by phone at 1-888-203-8100.

Universal Service Administrative Company
Schools and Libraries Division

cc: Portia Speight
The Presidio Corporation

A GUIDE TO THE FUNDING COMMITMENT ADJUSTMENT REPORT

A report for each E-rate funding request from your application for which a commitment adjustment is required is attached to this letter. We are providing the following definitions for the items in that report.

FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by the SLD to each individual request in your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.

SERVICES ORDERED: The type of service ordered from the service provider, as shown on Form 471.

SPIN (Service Provider Identification Number): A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support mechanisms. A SPIN is also used to verify delivery of services and to arrange for payment.

SERVICE PROVIDER NAME: The legal name of the service provider.

CONTRACT NUMBER: The number of the contract between the applicant and the service provider. This will be present only if a contract number was provided on your Form 471.

BILLING ACCOUNT NUMBER: The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.

SITE IDENTIFIER: The Entity Number listed in Form 471, Block 5, Item 22a. This number will only be present for "site specific" FRNs.

ORIGINAL FUNDING COMMITMENT: This represents the original amount of funding that SLD had reserved to reimburse you for the approved discounts for this service for this funding year.

COMMITMENT ADJUSTMENT AMOUNT: This represents the amount of funding that SLD has rescinded because of program rule violations.

ADJUSTED FUNDING COMMITMENT: This represents the adjusted total amount of funding that SLD has reserved to reimburse for the approved discounts for this service for this funding year. If this amount exceeds the Funds Disbursed to Date, the SLD will continue to process properly filed invoices up to the new commitment amount.

FUNDS DISBURSED TO DATE: This represents the total funds that have been paid to the identified service provider for this FRN as of the date of this letter.

FUNDS TO BE RECOVERED FROM APPLICANT: This represents the amount of improperly disbursed funds to date as a result of rule violation(s) for which the applicant has been determined to be responsible. These improperly disbursed funds will have to be recovered from the applicant.

FUNDING COMMITMENT ADJUSTMENT EXPLANATION: This entry provides an explanation of the reason the adjustment was made.

**Funding Commitment Adjustment Report
Form 471 Application Number: 303671**

Funding Request Number: 810283
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143015315
Service Provider Name: The Presidio Corporation
Contract Number: PSJA-AVNET-2002-001
Billing Account Number: 956-702-5984
Site Identifier: 141667
Original Funding Commitment: \$2,530,070.89
Commitment Adjustment Amount: \$2,530,070.89
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date: \$2,222,686.51
Funds to be Recovered from Applicant: \$2,222,686.51

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of an audit it was determined that the applicant signed a contract/entered into an agreement with the service provider prior to the expiration of 28-day posting period. FCC rules require that except under limited circumstances, all Forms 470 received be posted on the USAC web site for 28 days, and that applicants carefully consider all bids received before selecting a service provider, entering into an agreement or signing a contract, and signing and submitting a Form 471. In the Receipt Notification Letter, USAC notified the applicant that the earliest date upon which they could sign a contract or enter into an agreement (Allowable Contract Date) was 01/07/2002. Based on the documentation provided during the audit the service provider was selected on 12/11/2001. Since the service provider was selected prior to the required 28-day posting period, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds.

**PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING**

Funding Request Number:	810370
Services Ordered:	INTERNAL CONNECTIONS
SPIN:	143015315
Service Provider Name:	The Presidio Corporation
Contract Number:	PSJA-AVNET-2002-001
Billing Account Number:	956-702-5984
Site Identifier:	141667
Original Funding Commitment:	\$364,147.65
Commitment Adjustment Amount:	\$364,147.65
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date:	\$317,680.50
Funds to be Recovered from Applicant:	\$317,680.50

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of an audit it was determined that the applicant signed a contract/entered into an agreement with the service provider prior to the expiration of 28-day posting period. FCC rules require that except under limited circumstances, all Forms 470 received be posted on the USAC web site for 28 days, and that applicants carefully consider all bids received before selecting a service provider, entering into an agreement or signing a contract, and signing and submitting a Form 471. In the Receipt Notification Letter, USAC notified the applicant that that the earliest date upon which they could sign a contract or enter into an agreement (Allowable Contract Date) was 01/07/2002. Based on the documentation provided during the audit the service provider was selected on 12/11/2001. Since the service provider was selected prior to the required 28-day posting period, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds.

**PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING**

Funding Request Number:	810449
Services Ordered:	INTERNAL CONNECTIONS
SPIN:	143015315
Service Provider Name:	The Presidio Corporation
Contract Number:	PSJA-AVNET-2002-001
Billing Account Number:	956-702-5984
Site Identifier:	141667
Original Funding Commitment:	\$201,237.03
Commitment Adjustment Amount:	\$201,237.03
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date:	\$172,526.17
Funds to be Recovered from Applicant:	\$172,526.17

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of an audit it was determined that the applicant signed a contract/entered into an agreement with the service provider prior to the expiration of 28-day posting period. FCC rules require that except under limited circumstances, all Forms 470 received be posted on the USAC web site for 28 days, and that applicants carefully consider all bids received before selecting a service provider, entering into an agreement or signing a contract, and signing and submitting a Form 471. In the Receipt Notification Letter, USAC notified the applicant that that the earliest date upon which they could sign a contract or enter into an agreement (Allowable Contract Date) was 01/07/2002. Based on the documentation provided during the audit the service provider was selected on 12/11/2001. Since the service provider was selected prior to the required 28-day posting period, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds.

**PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING**

Funding Request Number:	810517
Services Ordered:	INTERNAL CONNECTIONS
SPIN:	143015315
Service Provider Name:	The Presidio Corporation
Contract Number:	PSJA-AVNET-2002-001
Billing Account Number:	956-702-5984
Site Identifier:	141667
Original Funding Commitment:	\$60,245.28
Commitment Adjustment Amount:	\$60,245.28
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date:	\$60,245.28
Funds to be Recovered from Applicant:	\$60,245.28

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of an audit it was determined that the applicant signed a contract/entered into an agreement with the service provider prior to the expiration of 28-day posting period. FCC rules require that except under limited circumstances, all Forms 470 received be posted on the USAC web site for 28 days, and that applicants carefully consider all bids received before selecting a service provider, entering into an agreement or signing a contract, and signing and submitting a Form 471. In the Receipt Notification Letter, USAC notified the applicant that that the earliest date upon which they could sign a contract or enter into an agreement (Allowable Contract Date) was 01/07/2002. Based on the documentation provided during the audit the service provider was selected on 12/11/2001. Since the service provider was selected prior to the required 28-day posting period, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds.

**PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING**

Funding Request Number:	810851
Services Ordered:	INTERNAL CONNECTIONS
SPIN:	143015315
Service Provider Name:	The Presidio Corporation
Contract Number:	PSJA-AVNET-2002-001
Billing Account Number:	956-702-5984
Site Identifier:	141667
Original Funding Commitment:	\$380,854.17
Commitment Adjustment Amount:	\$380,854.17
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date:	\$352,433.80
Funds to be Recovered from Applicant:	\$352,433.80

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of an audit it was determined that the applicant signed a contract/entered into an agreement with the service provider prior to the expiration of 28-day posting period. FCC rules require that except under limited circumstances, all Forms 470 received be posted on the USAC web site for 28 days, and that applicants carefully consider all bids received before selecting a service provider, entering into an agreement or signing a contract, and signing and submitting a Form 471. In the Receipt Notification Letter, USAC notified the applicant that that the earliest date upon which they could sign a contract or enter into an agreement (Allowable Contract Date) was 01/07/2002. Based on the documentation provided during the audit the service provider was selected on 12/11/2001. Since the service provider was selected prior to the required 28-day posting period, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds.

**PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING**

Exhibit B



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal - Funding Year 2002-2003

June 1, 2007

Arturo Guajardo
Pharr-San Juan-Alamo Independent School District
601 E. Kelly
Pharr, TX 78577

Re: Applicant Name: Pharr-San Juan-Alamo Independent School
 District
 Billed Entity Number: 141667
 Form 471 Application Number: 303671
 Funding Request Number(s): 810283, 810370, 810449, 810517, 810851,
 810889
 Your Correspondence Received: January 11, 2007

After thorough review and investigation of all relevant facts, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") has made its decision in regard to your appeal of SLD's Funding Year 2002 Notification of Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 60-day time period for appealing this decision to the Federal Communications Commission ("FCC"). If your letter of appeal included more than one Application Number, please note that for each application for which an appeal is submitted, a separate letter is sent.

Funding Request Numbers: 810283, 810370, 810449, 810517, 810851, 810889
Decision on Appeal: **Denied**
Explanation:

- During the Appeal Review, USAC thoroughly assessed the facts presented in the appeal letter, the relevant documentation on file, and the FCC Rules and Procedures before making its determination on your appeal. After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of your performance audit, it was determined that you signed a contract and entered into an agreement with the service provider prior to the expiration of 28-day posting period of Form 470 Application number 920700000395487. FCC rules require that except under limited circumstances, all Forms 470 received be posted on the USAC web site for 28 days, and that applicants carefully consider all bids received before selecting a service provider,

100 South Jefferson Road, P.O. Box 902, Whippany, New Jersey 07981
Visit us online at: www.usac.org/sl

entering into an agreement or signing a contract, and signing and submitting a Form 471. In the Receipt Notification Letter, USAC notified you that the earliest date upon which you could sign a contract or enter into an agreement (Allowable Contract Date) was January 7, 2002. Based on the documentation provided during the audit, Pharr-San Juan-Alamo Independent School District signed a contract or entered into an agreement on December 11, 2001. As you stated in Item 2 of your January 11, 2007 appeal letter, "the individual thought that the vendor selection needed to be completed prior to filing the FCC Form 470," which is clearly in violation of the competitive bidding process. Since the District signed a contract or entered into an agreement prior to the required 28-day posting period, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds.

- FCC rules require that all products and services for which an applicant requests discounts on an FCC Form 471 must be competitively bid on an FCC Form 470. The Form 470 must include a complete description of the services for which discounts are sought, be posted on the web site for 28 days, and applicants must carefully consider all bids received before selecting a vendor, entering into an agreement or signing a contract, and signing and submitting a Form 471. 47 C.F.R. §§ 54.504, 54.511(a) and (c). These competitive bidding requirements help to ensure that applicants receive the lowest pre-discount price from vendors. See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order on Reconsideration, 12 FCC Rcd. 10095, FCC 97-246, p. 10098 ¶ 9 (rel. Jul. 10, 1997). The only exceptions to the posting requirement are for: (1) contracts signed on or before July 10, 1997 for the life of the contract; and (2) contracts signed between July 10, 1997 and before January 30, 1998 (the date on which the web site became operational) for products and/or services provided through June 30, 1999. 47 C.F.R. § 54.511(c) and (d).

If you believe there is a basis for further examination of your application, you may file an appeal with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

Adrian Wright

From: Gina Spade
Sent: Friday, July 06, 2007 3:24 PM
To: Adrian Wright
Subject: FW: Appeal status on #265962

Just making sure you received this before I delete it. Thanks!

From: Shawn Guidry [mailto:shawn@crmcpa.net]
Sent: Monday, June 11, 2007 11:57 AM
To: karen.johnston@fcc.gov; Gina Spade
Subject: Appeal status on #265962

Please cancel our appeal referenced above. USAC has settled this matter with us.

Thank You,
Shawn Guidry
Cohesive Connections, LLC

7/9/2007